

APPENDIX B - FUNDING SOURCES: SFY 2002 - SFY 2005 MEDICAID AND CHIP PROGRAMS (State Dollars in Millions)							
	SFY '02	Growth	SFY '03	Growth	SFY '04	Growth	SFY '05
Forecasted Expenditures - State Share	\$1,433.4	4.9%	\$1,503.6	8.8%	\$1,636.2	10.3%	\$1,804.7
State Interfund Transfers	Total State Share Only						
HCI Fund Transfer	(\$40.1)		(\$40.9)		(\$41.9)		(\$42.9)
Med. Indigent Care Trust Fund	(\$15.6)		(\$21.0)		(\$25.0)		(\$25.0)
CHIP Transfer	(\$18.1)		(\$20.4)		(\$23.1)		(\$25.8)
Div. Disability, Aging and Rehab Services							
<i>Group Home Day Services</i>	(\$7.4)		(\$7.4)		(\$7.4)		(\$7.4)
<i>In-Home Services (CHOICE)</i>	(\$5.6)		(\$5.6)		(\$5.6)		(\$5.6)
<i>Developmentally Disabled Client Services</i>	(\$33.8)		(\$37.3)		(\$63.6)		(\$80.4)
Division of Mental Health							
<i>Community Mental Health Rehab Option</i>	(\$65.8)		(\$78.9)		(\$93.1)		(\$106.9)
<i>State Institution DSH Transfers</i>	(\$53.2)		(\$40.1)		(\$35.6)		(\$36.2)
	(\$13.4)		(\$14.7)		(\$14.1)		(\$14.1)
County Medical Assistance to Wards	(\$12.1)		(\$12.7)		(\$13.3)		(\$14.0)
Interfund Transfers	(\$264.9)		(\$279.0)		(\$322.6)		(\$358.3)
Revenue (One-Time and Ongoing)	(\$62.8)		(\$27.7)		(\$22.7)		(\$23.2)
Cash Adjustment	(\$4.5)		(\$6.8)		\$1.4		(\$13.7)
Additional Cost Containment/Adjustments^{1,2,3,4}	\$7.3		\$17.5		(\$5.6)		(\$10.0)
Forecasted Expenditures - Medicaid GF Assistance	\$1,108.5		\$1,207.6		\$1,286.7		\$1,399.5
GF Appropriation	\$1,132.0	6.9%	\$1,209.6	6.4%	\$1,286.7	8.8%	\$1,399.5
Shortfall/Surplus	\$23.5		\$2.0		\$0.0		\$0.0

1. The 2002 Additional Cost Containment/ Adjustment is composed of the \$6.8 million beginning balance deficit from SFY 2001 closeout and \$.5 million used to pay salaries for the disability expansion.

2. The 2003 Additional Cost Containment/Adjustment reflects additional expenses estimated at \$17.5 million for pharmacy benefit management, disease/case management and managed care for aged, blind and disabled recipients.

3. The 2004 Additional Cost Containment/Adjustment is composed of \$2.5 million in savings for disease/case management and \$3.1 million in savings for other pharmacy related PBM initiatives.

4. The 2005 Additional Cost Containment/Adjustment is composed of \$7.1 million in savings for disease/case management and \$2.9 million in savings for other pharmacy related PBM initiatives.

5. The additional expenditures referenced footnote 2 above are assumed to be included in the Medicaid Administration account for the '04 - '05 biennium.

6. This forecast does not include Mental Health Rehab Option (MRO) Expansion, Department of Education waivers or eligibility for Silvercrest and Soldiers and Sailors. Although those would be additional expenditures and would increase overall Medicaid expenditures, assuming they are pass-throughs for Medicaid, they would not have a net effect on the Medicaid Assistance expenditures/appropriation.

7. Paid claims are greater than incurred claims in SFY '04 because there is an extra Tuesday in the year. Claims are paid on Tuesdays by our fiscal agent.